



SECRET
DEPARTMENT OF STATE

Washington, D.C. 20520

November 21, 1967

State Dept. declassification & release instructions on file

Mr. William N. Morell, Jr.
Director, Economic Research
Central Intelligence Agency
Washington, D.C. 20505

Dear Bill:

Thank you for your letter of November 9 enclosing an interim report on the Czech balance of payments. I appreciate the effort of your staff in preparing this report since I understand that you are shorthanded at present. The report is very timely since we hope to start negotiations with the Czechs on a gold/claims agreement in the near future.

The year-by-year hard currency balance of payments tables are very useful and give a good picture of the generally deficit Czech payments balance. Your reference to the Czech balance of payments situation since 1959 as being "from hand to mouth, with frequent emergency help from the USSR" is very apt. The estimate that Czechoslovakia has an indebtedness of some \$200 million in medium and long-term loans will also help us in our negotiations.

25X1A

Joe Christiano talked to [] about the report on November 20 and was glad to learn that a fuller report, particularly concerning "errors and omissions" will be ready in early 1968. Joe told Ed that we consider Poland's indebtedness to the United States as of January 1967 to be a hard currency indebtedness. (See footnote page 2.) As indicated in the repayment schedule which [] has, we intend to collect the entire amount over the next 30 years with the exception of the zlotys we use for official purposes in Poland.

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Many thanks, again, for a fine report.

Sincerely,

Raymond E. Lisle
Director for Relations
with Eastern Europe

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Group 1

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